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An act to amend Sections 42977 and 48704 of the Public Resources Code, relating to recycling, and making an appropriation therefor, to take effect immediately, bill related to the budget.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 42977 of the Public Resources Code is amended to read:

42977. (a) The carpet stewardship organization submitting a carpet stewardship plan shall pay the department ~~an annual~~ a quarterly administrative fee. The department shall set the fee at an amount that, when paid by every carpet stewardship organization that submits a carpet stewardship plan, is adequate to cover the department's full costs of administering and enforcing this chapter, including any program development costs or regulatory costs incurred by the department prior to carpet stewardship plans being submitted. The department may establish a variable fee based on relevant factors, including, but not limited to, the portion of carpets sold in the state by members of the organization compared to the total amount of carpet sold in the state by all organizations submitting a carpet stewardship plan.

(b) The total amount of ~~annual~~ fees collected annually pursuant to this section shall not exceed the amount necessary to recover costs incurred by the department in connection with the administration and enforcement of the requirements of this chapter.

(c) The department shall identify the direct development or regulatory costs it incurs pursuant to this chapter prior to the submittal of a carpet stewardship plan and shall establish a fee in an amount adequate to cover those costs, which shall be paid by a carpet stewardship organization that submits a carpet stewardship plan. The fee established pursuant to this subdivision shall be paid ~~in three equal payments~~ pursuant to the schedule specified in subdivision (d).

(d) A carpet stewardship organization subject to this section shall pay a quarterly fee to the department ~~the to cover the administrative fee and enforcement costs of the~~



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requirements of this chapter pursuant to subdivision (a) on or before July 1, 2012, and ~~annually every three months~~ thereafter and the applicable portion of the fee pursuant to subdivision (c) on July 1, 2012, and ~~annually every three months~~ thereafter through July 1, 2014. Each year after the initial payment, the ~~annual~~ total amount of the administrative fee fees paid for a calendar year may not exceed 5 percent of the ~~aggregate assessment~~ assessments collected for the preceding calendar year.

(e) The department shall deposit the fees collected pursuant to this section into the Carpet Stewardship Account created pursuant to Section 42977.1.

SEC. 2. Section 48704 of the Public Resources Code is amended to read:

48704. (a) The department shall review the plan within 90 days of receipt, and make a determination whether or not to approve the plan. The department shall approve the plan if it provides for the establishment of a paint stewardship program that meets the requirements of Section 48703.

(b) (1) The approved plan shall be a public record, except that financial, production, or sales data reported to the department by a manufacturer or the stewardship organization is not a public record under the California Public Records Act, as described in Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code and shall not be open to public inspection.

(2) Notwithstanding paragraph (1), the department may release a summary form of financial, production, or sales data if it does not disclose financial, production, or sales data of a manufacturer or stewardship organization.

(c) On or before July 1, 2012, or three months after a plan is approved pursuant to subdivision (a), whichever date is later, the manufacturer or stewardship organization



shall implement the architectural paint stewardship program described in the approved plan.

(d) The department shall enforce this chapter.

(e) (1) The stewardship organization shall pay the department ~~an annual~~ a quarterly administrative fee pursuant to paragraph (2).

(2) The department shall impose fees in an amount that is sufficient to cover ~~the department's full costs of administering and enforcing this chapter, including any program development costs or regulatory costs incurred by the department prior to the submittal of the stewardship plans~~ the full administrative and enforcement costs of the requirements of this chapter, including any program development costs or regulatory costs incurred by the department prior to the submittal of the stewardship plans. The stewardship organization shall pay the fee on or before the last day of the month following the end of each quarter. Fee revenues collected under this section shall only be used to administer and enforce this chapter.

(f) (1) A civil penalty may be administratively imposed by the department on any person who violates this chapter in an amount of up to one thousand dollars (\$1,000) per violation per day.

(2) A person who intentionally, knowingly, or negligently violates this chapter may be assessed a civil penalty by the department of up to ten thousand dollars (\$10,000) per violation per day.

SEC. 3. The sum of one thousand dollars (\$1,000) is hereby appropriated from the Carpet Stewardship Account to the Department of Resources Recycling and



Recovery to implement the changes made by this act to Section 42977 of the Public Resources Code.

SEC. 4. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____

General Subject: Recycling: carpet: paint.

(1) The California Integrated Waste Management Act of 1989, administered by the Department of Resources Recycling and Recovery, requires a manufacturer of carpets sold in this state, individually or through a carpet stewardship organization, to submit a carpet stewardship plan to the department. A manufacturer or carpet stewardship organization submitting a carpet stewardship plan is required to pay the department an annual administrative fee, as determined by the department. The department is also required to identify the direct development or regulatory costs incurred by the department prior to the submittal of carpet stewardship plans and to establish a fee in an amount adequate to cover those costs, that is required to be paid in 3 equal payments by a carpet stewardship organization that submits a carpet stewardship plan. Existing law establishes the Carpet Stewardship Account in the Integrated Waste Management Fund and requires these fees to be deposited in that



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account, for expenditure by the department, upon appropriation by the Legislature, to cover the department's cost to implement the carpet stewardship program provisions.

This bill would instead require a carpet stewardship organization to pay these fees quarterly to the department and make conforming changes regarding those requirements.

(2) The act requires a manufacturer or designated stewardship organization to submit to the department an architectural paint stewardship plan to develop and implement a recovery program to manage the end of life of postconsumer architectural paint. A stewardship organization is required to pay the department an annual administrative fee in the amount that is sufficient to cover the department's full costs of administering and enforcing the program. The fee is required to be deposited in the Architectural Paint Stewardship Account in the Integrated Waste Management Fund, which may be expended by the department, upon appropriation by the Legislature, to cover the department's costs to implement the architectural paint stewardship program provisions.

This bill would require the stewardship organization to pay the fees quarterly and would require the department to impose the fees in an amount that includes any program development costs or regulatory costs incurred by the department prior to the submittal of the stewardship plans.

(3) The bill would appropriate \$1,000 from the Carpet Stewardship Account to the Department of Resources Recycling and Recovery to implement the changes made by the bill with regard to the carpet stewardship program.



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(4) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.



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